

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

CABLE & WIRELESS USA, INC. and
PRIMUS TELECOMMUNICATIONS, INC.

WC Docket No. 02-308

Application Pursuant to Section 214 of the
Communications Act of 1934 and
Section 63.04 of the Commission's Rules for
Consent to the Transfer of Interexchange
Customer Base

Attention: Wireline Competition Bureau

**DOMESTIC APPLICATION
FOR TRANSFER OF ASSETS**

I. Introduction

Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.04 of the Commission's rules, Cable & Wireless USA, Inc. ("C&W") and Primus Telecommunications, Inc. ("Primus") hereby seek consent to the transfer, pursuant to an asset purchase agreement, of C&W's domestic interstate, interexchange telecommunications customer base to Primus. Expedited treatment of this application is requested so that the transition may be completed efficiently and with minimal disruption to consumers.

C&W, a Delaware corporation, is an indirect wholly owned subsidiary of Cable & Wireless plc, an established global telecommunications company

organized under the laws of England and Wales. C&W has made a decision to restructure its U.S. business to focus on delivering the highest-quality Internet, hosting, and web services. Accordingly, C&W proposes to transfer its existing interstate, interexchange customer base to Primus, resulting in no impairment or disruption of service to its customers. Because it may in the future resume providing such services, C&W is not relinquishing any authority to provide service.

In the United States, Primus (1) provides long distance services to small and medium-sized enterprises ("SMEs"), residential customers, multinational corporations and other telecommunication carriers; (2) operates international gateway telephone switches in the New York City area and Los Angeles which are connected with countries in Europe, Latin America and the Asia-Pacific region through owned and leased international fiber cable systems; (3) leases and owns United States domestic fiber to interconnect our switches, data centers, and domestic United States points of presence (POPs); and (4) provides managed and shared Web hosting and e-commerce applications and services through our data centers located in McLean, Virginia and Lynn, Massachusetts. Although granted CLEC certification in 10 states, Primus is not providing local access services in any states at this time.

II. Information Required by Section 63.04(a)

Pursuant to Section 63.04(a), the Applicants submit the following information in support of this Application:

- (1) The addresses and telephone numbers of the parties are:

Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA 22182
Telephone: (703) 760-3741
Fax: (703) 442-8891

Primus Telecommunications, Inc.
1700 Old Meadow Road
Suite 300
McLean, VA 22102
Telephone: (703) 748-8016
Facsimile: (703) 902-2814

- (2) C&W is a Delaware corporation. Primus is also a Delaware corporation.
- (3) Correspondence concerning this application should be addressed to the following:

LaRene Flack
Sr. Manager, Tariffs & Regulatory Compliance
Cable & Wireless USA, Inc.
8219 Leesburg Pike
Vienna, VA 22182
Telephone: (703) 760-3741
Fax: (703) 442-8891
E-mail: Larene.Flack@cwusa.com

Kathleen Kerr Lawrence
Assistant General Counsel
Primus Telecommunications Group, Inc
1700 Old Meadow Road
Suite 300
McLean, Virginia 22102
Telephone: (703) 394-4503
Facsimile: (703) 902-2814 (fax)
Email: klawrence@primustel.com

Please also send a copy of any correspondence to:

Catherine Wang
Harry Malone
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W.
Washington D.C. 20007
Telephone: 202-424- 7837
Facsimile: 202-424-7645
Email: Cwang@swidlaw.com
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Joel S. Winnik
Hogan & Hartson L.L.P.
555 Thirteenth Street N.W.
Washington, D.C. 20004
Telephone: (202) 637-5600
Fax: (202) 637-5910
E-mail: jswinnik@hhlaw.com

(4) The following are the names, addresses, citizenship, and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of Primus:

RS Investment Management Co., LLC
388 Market Street, Suite 200
San Francisco, CA 94111

Incorporation:	Delaware
Ownership:	8,580,900 shares of Primus Telecommunications Group, Inc. (approximately 13.2% of class)
Principal Business:	Investment management company focusing on domestic equity investing in small to mid- cap companies.

Primus Telecommunications Group, Inc.
1700 Old Meadow Road
McLean, VA 22102

Incorporation:	Delaware
Ownership:	100% of Primus Telecommunications, Inc.

Principal Business: Global facilities-based Total Service Provider offering bundled international and domestic Internet, data and voice services to business and residential retail customers and other carriers

(5) C&W and Primus certify pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Pursuant to a Customer Transfer Agreement executed on September 13, 2002, C&W has agreed to sell, and Primus has agreed to purchase, the domestic interstate interexchange customer base currently held by C&W. C&W will remain intact and will not transfer any of its authorizations to Primus.

(7) Domestically, C&W currently provides long distance services in the District of Columbia and all states except for Alaska. Primus domestically offers long distance services in the 48 continental states and Hawaii.

(8) This Application qualifies for streamlined processing pursuant to Section 63.03(b)(2)(ii). After the proposed transaction, Primus will have a market share in the interstate, interexchange market of less than 10 percent, Primus will provide no exchange or exchange access services, and neither Applicant is dominant with respect to any service.

(9) There are no other Commission applications related to the proposed transaction. However, Primus is, concurrently with this Application, *filing* a notification to certify compliance with the requirement to provide advance subscriber notice in accordance with Section 64.1120(e)(3).

(10) No party to this Application is facing imminent business failure.

(11) No separately filed waiver requests are being sought in conjunction with the proposed transaction.

(12) Grant of the instant application will serve the public interest convenience, and necessity. It will allow C&W to devote its resources to delivering the highest-quality Internet, hosting, and web services, while ensuring that C&W's existing interexchange customers will face no impairment or disruption service. Moreover, approval of the transaction will permit Primus to realize greater economies of scale, thereby enhancing its ability to compete in the marketplace.

III. Conclusion

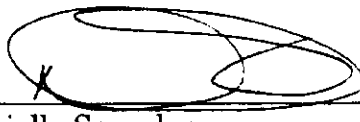
For the foregoing reasons, the parties respectfully request that the Commission consent to the transfer of C&W's domestic interstate interexchange customer base to Primus. Expedited treatment of this application is requested so that the transition may be completed efficiently and with minimal disruption to consumers.

Respectfully submitted,

CABLE & WIRELESS USA, INC.

By: Cathy L. Slesinger
Cathy L. Slesinger
Sr. Vice President, Public Policy USA

PRIMUS TELECOMMUNICATIONS, INC.

By: 
Danielle Saunders
Vice President, General Counsel, and
Secretary

Dated: September 18, 2002